

## SECTION B

3. (a) (i) Outline *one* of the Millennium Development Goals (MDGs) (paragraph ❶). [2 marks]

Level	Marks
0 <i>The work does not reach a standard described by the descriptors below.</i>	0
1 <i>There is limited understanding.</i> The idea that one of the following needs to be addressed: <ul style="list-style-type: none"> <li>• poverty and hunger</li> <li>• education</li> <li>• gender equality</li> <li>• child health</li> <li>• maternal health</li> <li>• diseases</li> <li>• the environment</li> <li>• global cooperation.</li> </ul>	1
2 <i>There is clear understanding.</i> A clear understanding demonstrated of one of the following: <ul style="list-style-type: none"> <li>• eradicate extreme poverty and hunger</li> <li>• achieve universal primary education</li> <li>• promote gender equality and empower women</li> <li>• reduce child mortality</li> <li>• improve maternal health</li> <li>• combat HIV/AIDS, malaria and other diseases</li> <li>• ensure environmental sustainability</li> <li>• develop a global partnership for development.</li> </ul>	2

- (ii) Define the term *foreign direct investment (FDI)* indicated in bold in the text (paragraph ❷). [2 marks]

Level	Marks
0 <i>The work does not reach a standard described by the descriptors below.</i>	0
1 <i>Vague definition.</i> The idea that investment is coming from overseas.	1
2 <i>Precise definition.</i> An explanation that it is the purchase of productive assets by a multinational corporation in another country.	2

- (b) Using an appropriate diagram, describe the change in the distribution of income in Laos (*paragraph ③*). [4 marks]

Level		Marks
0	<i>The work does not reach a standard described by the descriptors below.</i>	0
1	<i>There is a correct diagram or an accurate written response.</i> For drawing a clearly labelled Lorenz curve diagram showing a movement away from the line of perfect equality OR for explaining that the higher-earning households are now earning a greater share of the country's income in relation to the lower-earning households.	1–2
2	<i>There is a correct diagram and an accurate written response.</i> For drawing a clearly labelled Lorenz curve diagram showing a movement away from the line of perfect equality and for explaining that the higher-earning households are now earning a greater share of the country's income in relation to the lower-earning households.	3–4

Candidates who incorrectly label diagrams can be rewarded with a maximum of [3 marks].

- (c) Explain the likely impact of the low education level on the economic development of Laos (*paragraph ③*). [4 marks]

Level		Marks
0	<i>The work does not reach a standard described by the descriptors below.</i>	0
1	<i>The written response is limited.</i>	1–2
2	<i>The written response is accurate.</i> An explanation that a low level of education will limit the productivity of the labour force and hence prevent any increase in the productive capacity of the economy. This may be illustrated using a PPC diagram. Given that economic growth may lead directly to economic development via higher incomes, or by providing the finance for the government to invest in health, education and infrastructure, growth may lead to development. Thus a low level of education is likely to inhibit economic development.	3–4

- (d) Using information from the text/data and your knowledge of economics, evaluate the policies which the government of Laos might pursue in order to maintain its “considerable progress towards reaching the Millennium Development Goals (MDGs)” (*paragraph ①*).

[8 marks]

Examiners should be aware that candidates may take a different approach which, if appropriate, should be rewarded.

Do not award beyond Level 2 if the answer does not contain reference to the information provided.

Level		Marks
0	The work does not reach a standard described by the descriptors below.	0
1	Few relevant concepts are recognized. There is basic knowledge/understanding.	1–2
2	Relevant concepts are recognized and developed in reasonable depth. There is clear knowledge/understanding. There is some attempt at application/analysis.	3–5
3	Relevant concepts are recognized and developed in reasonable depth. There is clear knowledge/understanding. There is effective application/analysis. There is synthesis/evaluation, supported by appropriate theory and evidence.	6–8

*Command term*

“Evaluate” requires candidates to make an appraisal by weighing up the strengths and limitations.

Responses may include:

Possible policies:

- expenditure on programmes to reduce child malnutrition (*paragraph ①*)
- expenditure on health programmes to reduce child mortality (*paragraph ①*)
- policies to maintain macroeconomic stability (*paragraph ②*)
- redistribution of income (*paragraph ③*)
- policies to increase incomes in the countryside – *e.g.* property rights (*paragraph ③*)
- investment in education (*Table*)
- economic policies to encourage more FDI (fill the savings gap and increase GNI) (*Table*)
- continued state regulation to ensure essential services (*paragraph ④*)
- increased use of the price mechanism (*paragraph ④*).

Possible drawbacks of the policies:

- difficulty of raising the necessary funding due to very low income
- opportunity cost of increased funding
- difficulty of ensuring that those in need receive the assistance which is funded
- challenge of improving the quality of health and education services
- dangers of increased FDI – pollution (*Table*), influence on the government, employment protection, profits repatriation disadvantages of the price mechanism *e.g.* income inequality.

Any reasonable evaluation.